

12

CONSUMER RIGHTS WHEN YOU ORDER BY MAIL, TELEPHONE OR INTERNET

§ 12. 1. Introduction

This consumer rights chapter provides information on how to protect yourself when ordering by mail or telephone. It contains the following sections:

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§ 12. 2. Mail Or Telephone Or Internet Order Problems

Shopping by mail, telephone, or the internet can be convenient and fun, or it can be frustrating and disappointing. It can help you escape traffic snarls, elbowing crowds and pushy salespeople, but it can present other aggravations: delayed deliveries, damaged goods and difficulties in resolving complaints.

Mail order and telemarketing complaints outnumber all other consumer complaints, both statewide and nationwide. And internet complaints are rapidly increasing. So whether you are ordering weight lifting equipment for Grandma, a grape peeler for your Aunt Beatrice, or a shoestring tie for Uncle Al, shop carefully. You can resolve most problems if you use your common sense and know your legal rights. *See* Chapter 28 of this Guide for an extended discussion of how to avoid mail order and telemarketing fraud

§ 12. 3. You Have The Right To Prompt Delivery

The Mail or Telephone Merchandise Rule of the Federal Trade Commission¹ requires mail-order companies to ship goods within the time specified in their advertisements. If no shipment time is specified, the merchandise you order must be delivered within 30 days. The FTC rule applies to merchandise you order by mail or over the telephone (including computers and fax machines) regardless of whether the company delivers the merchandise by mail or by private carrier such as UPS. The 30-day period begins with the buyer's order date and not the date the seller actually charges the buyer's credit card account. This FTC Rule does apply to internet sales.

The FTC Rule does not apply to magazine subscriptions, except for the first order, photo-printing services, seeds and nursery products, book and record clubs or C.O.D.

§ 12. 4. You Have The Right To A Full Refund For Shipping Delays

The FTC Rule also requires that the company must notify you of any shipping delays and remind you that you have the right to cancel your order and receive a full refund. It must also provide you with an easy way of letting it know you want to cancel, such as a pre-addressed postcard or toll-free telephone number. If you decide to cancel, you must notify the company. Silence on your part indicates you are willing to wait for the merchandise. The company must refund your money within seven business days of cancellation. If you made the purchase by credit card, it must adjust your statement by the next billing period.

§ 12. 5. You Have The Right To Refuse C.O.D. Orders If They Have Been Delayed For An Unreasonable Length Of Time

While the FTC Rule governing mail-order or telephone shipping does not apply to C.O.D. (cash on

¹ 16 C.F.R. 435.

delivery) orders, the FTC nevertheless requires merchants to take back C.O.D. items if an unreasonable amount of time has passed between order and delivery dates. It is difficult to define unreasonable—30 days is probably not unreasonable. Sixty (60) days or more probably is unreasonable.

§ 12. 6. You Have The Right To Keep Any Unordered Goods You Receive

Both Federal² and Maine law prohibit anyone who sends you merchandise you did not order from billing you for it or from pressuring you to return it. By law, you may keep the merchandise and consider it a *gift*. Of course, if the merchandise is delivered to you by mistake, instead of to the person named on the address, you cannot keep it. Specifically, Maine law states:

Where unsolicited merchandise is delivered to a person for whom it is intended, such person has a right to refuse to accept delivery of this merchandise or he may deem it to be a gift and use it or dispose of it in any manner without any obligation to the sender.³

Violation of this law is also a violation of the Maine Unfair Trade Practices Act (*see* Chapter 3 of this Guide). It is also a violation to deliver products in greater quantities than ordered and to then charge the consumer for the unordered items.

§ 12. 7. Mail Order Contests

An increasingly common deceptive practice is for an out-of-state “business” to send letters announcing that the recipient has won an attractive prize but to then require the recipient to send a \$10 or more “handling” charge or small down payment in order to receive the prize. Of course, there is no prize and any money sent in is almost certainly lost. Such schemes are specifically prohibited by the Maine Transient Sellers Act⁴ and constitute both an unfair trade practice and a Class D crime. The simplest way to verify the legitimacy of such offers is to find out if the business is registered as a “transient seller” with the Maine Department of Professional and Financial Regulation, Central Licensing Division, 35 State House Station, Augusta, Maine 04333-0035 (207-624-8603). If the business is not a licensed transient seller, do *not* send any money.

§ 12. 8. Common Sense Tips When Ordering By Mail, Telephone Or The Internet

A. Know The Company You Are Dealing With

Check the company’s reputation with the Better Business Bureau and State and local consumer protection agencies.

² Section 3009 of the Postal Reorganization Act declares that mailing unordered merchandise is an unfair trade practice. *See* 39 U.S.C.S. § 3009.

³ 33 M.R.S.A. § 1101.

⁴ 32 M.R.S.A. §§ 14701(7), 14702.

B. Check The Company's Policy on Returns

If the return policy is not stated in the advertisement and/or catalog, call or write the company and find out what it is before you order.

C. Read The Product Description Carefully

Do not rely on a picture as it may make the product look larger than it is.

D. Investigate The Seller's Claims

If possible, find out if the product will do what the seller says it will before you order.

E. You Get What You Pay For

If a very expensive-looking product is advertised at a very low price, the product you get may be worth the advertised price but it won't be worth more. If you order a diamond product for \$3.50, that is what you will get—a diamond worth \$3.50; do not expect more.

F. Keep A Copy Of The Original Advertisement Or Catalog

Make sure you have the company's name, address and telephone number.

G. Keep A Copy Of Your Order Form

Your records should show the price, description and item numbers of the merchandise you ordered, as well as the total price of the order and whether you paid by check, credit card or money order. (NOTE: If you order by phone, it is especially important that you keep accurate records of your order.)

H. Keep Your Canceled Checks And Charge Account Records Or Money Order Receipts

If a problem develops, you may need these records to show proof of payment. *Never send cash for a mail-order purchase.*

I. Check The Advertisement Or Catalog To See If A Specific Shipping Period Is Given

Remember, the FTC mail-order merchandise rule says the company has to ship the item in the time period given in the advertisement or catalog; or if no time period is given, shipment must be made within 30 days. If shipment is not made within the time period specified or 30 days, the company must send you an option notice which gives you the option of receiving your money back or allowing the company additional time to deliver the order.

J. Keep On The Lookout For Phony Invoices

Sometimes a deceptive seller will send you a solicitation that looks very much like an invoice or bill. Don't pay. Federal law requires such "solicitations" to clearly announce: "THIS IS NOT A BILL." See § 29.32 in this Guide for a further discussion of the law in this area.

K. Watch Out For Negative Options

Negative option plans are not necessarily illegal, but the FTC requires⁵ sellers to disclose plan terms, including the negative option, minimum purchase requirements, cancellation rights, postage charges and refusal rights. Maine also requires telemarketers who sell negative options to provide written notice of the deadline before the consumer can be charged.⁶ See § 12.15 in this Guide.

L. Internet Orders

Our advice is simple: never order over the internet unless you are buying from a well known company that you contacted first. If you are responding to an email sent to you, you have no idea who you are really dealing with. Keep in mind that famous *New Yorker* cartoon of two dogs sitting in front of a computer. One dog is typing away and he says to his companion: “On the internet, nobody knows you’re a dog.”

§ 12. 9. Credit Card Purchases

A. Responsibilities Of Issuers Of Credit Cards

If you pay for your goods and services with your credit card and you then have a dispute with the merchant because you think the merchant has violated the contract (*e.g.*, did not deliver the goods you ordered, misled you as to what goods or services would actually be provided, etc.) then any claims or defenses (other than tort claims) you might have against the merchant can also be raised against the issuer of your credit card.⁷ However, before you can refuse to pay the issuer of your credit card, the following requirements must be met:

- (1) You must have made a good faith effort to resolve your dispute with the merchant. This can be accomplished by writing a letter to the merchant and keeping a copy of your letter as proof that you attempted to resolve your dispute.
- (2) The amount of initial transaction with the merchant must exceed \$50; and
- (3) The place where the initial transaction occurred must have been in Maine (or within a 100 miles of your Maine address).

In general, when a merchant (either in state or out of state) contacts a consumer in the home, whether in person, by telephone or by mail, the transaction is taking place in the state of Maine. Therefore, any claims or defenses the consumer may have against the merchant can also be raised against the credit card issuer. Nevertheless, do not wait more than two billing cycles to dispute the charges in writing to your credit card issuer.

B. Common Consumer Defenses

Here are some of the most common claims and defenses you can raise against both the merchant and the issuer of the credit card:

⁵ 16 C. F. R. Part 425.

⁶ 10 MRSA § 1210.

⁷ 9-A M.R.S.A. § 8-303(6). These limitations do not apply if the merchant itself issued (or controls) the credit cards you made to purchase with.

- (1) The merchant initiated the sale by contacting the consumer at home and violated either the Maine Consumer Solicitations Act⁸ or the Maine Transient Sales Act.⁹ For example, the Consumer Solicitations Sales Act requires any seller who calls you at home to provide you with a written contract that provides a three day cancellation period, *before* the sale can become binding.¹⁰ Violations of either of these statutes is both an unfair trade practice and a Class D crime. *See* Chapter 13 of this Guide.
- (2) The merchant was responsible for significantly violating the contract. For example, the merchant never provided the goods or services that were described to the consumer either in the mail solicitation or the phone solicitation.
- (3) The merchant was responsible for significantly violating the contract. For example, the merchant never provided the goods or services that were described to the consumer either in the mail solicitation or the phone solicitation.

C. Steps To Resolve Your Complaint

Here are the steps you should take if you decide you have a good claim or defense against a merchant and you made the purchase by credit card:

- (1) If the merchant will not cooperate, notify the credit card company in writing that you are withholding payment for the disputed charge.
- (2) In your notification, inform the credit card company of your name, account number, the item, the reference number, the amount you are refusing to pay, why you are refusing to pay, and the ways you attempted to resolve the problem. Pay the rest of the bill as usual. (Remember: be sure to notify the credit card company within two billing cycles.)
- (3) Keep in touch with the credit card company and pay the disputed amount if you still owe it once the problem has been resolved.
- (4) If still no relief, complain to both the United States Postal Inspector and the Consumer Division of the Attorney General in the state in which the business is located. *See* Chapter 30 of this Guide, §§ 30.4 - 30.5, for the necessary addresses.

⁸ 32 M.R.S.A. §§ 4661-4671. The Maine Consumer Solicitation Sales Act applies when a salesman contacts the consumer in the consumer's home "by means of and including, but not limited to, a personal visit or a telephone call upon the consumer... without the consumer soliciting the initial contact." *See* 32 M.R.S.A. § 4662. A simple mail solicitation probably does not fall within this law. However, if the consumer responds to the mailing (e.g., sends in a pre-stamped postcard) and then the seller phones or visits the consumer, this law may well apply.

⁹ 32 M.R.S.A. §§ 14701-14716. The Maine Transient Sales Act applies when the seller contacts the consumer in person or by phone. It can also apply when the seller contacts the consumer by mail and offers "merchandise or money prizes as free of charge, such as contest prizes or gifts for answering a survey, but who requires the recipient to pay something of value in order to participate in this offer, including but not limited to, entrance fees, processing fees or handling charges." 32 M.R.S.A. § 4681(7).

¹⁰ 32 M.R.S.A. § 4662.

D. Credit Card Billing Errors

Consumers can also challenge “billing errors” made by the issuer of the credit card.¹¹ Included in billing errors are:

- (1) An inaccurate bill or an incorrect billing for a product or service the consumer never ordered.
- (2) The billing statement that indicates that goods or services were delivered to the consumer when in fact *they were not or delivery was not in accordance with the agreement* the consumer made with the seller.
- (3) A computational error or other error of an accounting nature.¹²
- (4) The creditor’s failure to send a periodic statement to the consumer’s last known address.

If there is an error on your credit card bill you should write to the credit card company on a separate piece of paper (not on your bill). Do not send the letter to the regular billing address. The letter should be sent to the credit card company’s listed “billing error” address, stating that an error has been made. You should include:

- (1) your name and address;
- (2) the account number; and
- (3) the nature and the amount of the error.

This notice is effective *only* if it is received by the company within *60 days* of the date the bill was first sent to you. *Note:* Your billing rights, and the billing “error” address, should be printed on the front or back of each credit card statement.¹³

If your billing problem is not resolved within 30 days, the company must acknowledge your complaint and begin an investigation. Within 60 days after that the company must either correct the item or explain to you in writing why it feels the charge is correct.

You do not have to pay the amount of the bill you dispute while it is being investigated. However, *the portion of the bill not in dispute must be paid as usual*. If the investigation proves that you were wrong and the company is right, you will be expected to pay the charges as well as any additional finance charges incurred during the delay. *See* § 26.4 in this Guide for a more detailed discussion of these rights.

§ 12. 10. How To Complain

If your order does not arrive or is defective or wrong, write to the company. You should always give the company a fair opportunity to respond.

If you receive an unsatisfactory response, then we would suggest the following actions:

¹¹ 9-A M.R.S.A. § 8-401.

¹² 9-A M.R.S.A. § 8-401(3).

¹³ 9-A M.R.S.A. § 8-401(1).

- A. Write the company a second, more strongly worded complaint letter. Demand a response by a certain date (*e.g.*, “Please respond to this letter no later than March 15, 2004.”) Tell them in this letter you intend to formally complain to *both* the Attorney General’s Consumer Division in the State in which the business is located *and* to the U.S. Postal Inspector. The addresses for all State Attorney General consumer protection offices and the Postal Inspector offices can be found in Chapter 30 of this Guide. Make sure you send copies of this complaint letter to both the Attorney General’s Office and the Postal Inspector and note at the bottom of your letter that these copies are being sent (*e.g.*, “cc: U.S. Postal Inspector; Texas Attorney General Consumer Protection Division”).
- B. If the company still does not respond by the demand date, send a complaint letter to both the Attorney General and the Postal Inspector and a copy to the business.
- C. You can also try the Direct Marketing Association’s ConsumerLine. Write to:

ConsumerLine
Direct Marketing Association
1111 19th Street, N.W. Suite 1100
Washington, D. C. 20036-3603

Consumers requesting assistance through ConsumerLine should include the complete name and mailing address of the company involved in the complaint, photocopies (not originals) of your letter of complaint to the company, any canceled checks, order forms, and other relevant documents, and a letter summarizing the facts of the complaint. ConsumerLine can act only after you have waited 30 days for the company to respond to your complaint. ConsumerLine will refer the letter to the company on the consumer’s behalf and ask that the company resolve the matter. The majority of ConsumerLine complaints are resolved successfully within a 30-day period. The ConsumerLine staff makes every effort possible to reach a satisfactory resolution for the consumer. When ConsumerLine refers a complaint to a direct marketer, the consumer receives a postcard with instructions to notify ConsumerLine if the complaint has not been resolved within 30 days. Upon such notification, ConsumerLine will refer the complaint to the company again. In some cases, consumer complaints are referred to The DMA’s Ethics and Consumer Affairs Department for appropriate action.

§ 12. 11. Other Sources Of Help For Failure To Deliver Or Unsolicited Merchandise

Other possible remedies for a mail-order company’s failure to deliver would be to contact the Maine Attorney General’s Consumer Protection Division, your Chamber of Commerce, or the Better Business Bureau. The Direct Mail Marketing Association may also help. This Association is a trade organization representing mail order companies, which use direct marketing techniques and operates a clearinghouse for complaints involving their member companies. Write to:

Mail Order Action Line
c/o Direct Mail Marketing Association
6 E. 43rd Street
New York, N.Y. 10017

If your problem remains unresolved, you can notify the Federal Trade Commission. *See* § 31.2 of this Guide. Write to:

Federal Trade Commission
Room 200,
6th and Pennsylvania Avenue N.W.
Washington, DC 20508

If your problem involves unsolicited merchandise, contact your Regional U.S. Postal Inspector. *See* § 31.5 of this Guide. Billing you for unordered merchandise may constitute mail fraud, an area of law policed by the Postal Service. Demanding payment for, or return of, unsolicited merchandise is an illegal unfair business practice, an area of law enforced by the Federal Trade Commission and the Maine Attorney General.

For further information on telemarketing fraud, *see* Chapter 13 of this Guide, Consumer Rights When A Salesperson Contacts You At Home and Chapter 28 of this Guide, How to Avoid Mail Order And Telephone Fraud.

§ 12. 12. The “Do Not Call” Registry

Here’s how to greatly reduce telemarketing calls to your home or your cell phone. The Federal Trade Commission now maintains a national “Do Not Call” Registry. Telemarketers must check with this FTC list and if your name is on it they cannot call you, unless you have an on-going relationship with the company.

You can register your home and mobile phone numbers for free. You can register your number on the Do Not Call list by calling 1-888-382-1222 (TTY: 1-866-290-4236) or over the internet at www.donotcall.gov, if you have an active e-mail address. Within 3 months you should receive far fewer telemarketing calls.

If you have previously signed up for the Maine Do Not Call list, we’ve already sent your information to the F.T.C. for inclusion on national Do Not Call registry.

If you are still receiving telemarketing calls after listing your number on the Do Not Call Registry, here is what the FTC recommends:

- A. Check to see that your number is on the registry. You can verify that your number is on the registry two ways: online at DONOTCALL.GOV (click on “Verify A Registration”), or by calling 1-888-382-1222 (TTY 1-866-290-4236) from the phone number you wish to verify. Follow the prompts. You can also add your number to the registry using the same Web site or phone number (call from the number you want to register). If you register online, you will receive an email from donotcall.gov as part of the confirmation process. You will need to click on the link in this email within 72 hours after you receive it. If you don’t click on the link in the email, the number you tried to register will not be added to the registry, and telemarketers may continue to call.
- B. Understand that some calls are not covered. Once your number has been on the registry for 31 days, most telemarketing calls will stop. However, you still may get:
 - (1) Calls from—or on behalf of—political organizations, charities, and telephone surveyors;
 - (2) Calls from companies with whom you have an existing business relationship. A company may call you for 18 months after you make a purchase or three months after you submit an inquiry or application;
 - (3) Calls from companies you’ve given permission to call.

- C. File a complaint. If your number has been on the registry for at least 31 days, and a telemarketer calls, complain to the FTC. Visit DONOTCALL.GOV or call 1-888-382-1222 (TTY 1-866-290-4236). You'll need to provide the date of the call and the phone number or name of the company that called you.

If the telemarketing call you are complaining about is from a Maine company, you can also contact the Maine Attorney General's Consumer Protection Division (6 State House Station, Augusta, Maine 04333, 1-800-436-2131, consumer.mediation@maine.gov).

§ 12.13. How To Sue

A violation of any of your rights as described above can be a violation of the Maine Unfair Trade Practices Act. This Act allows you to sue for damages or the return of your money, plus attorney's fees and court costs. See Chapter 3 of this Guide. You can sue in Small Claims Court, if the amount of the contract is for not more than \$4,500, in District Court, or in Superior Court. If you choose to sue in Small Claims Court, which you may because it is inexpensive and can easily be done without a lawyer, you may want to request a copy of our Guide to Small Claims Court. See Chapter 27 in this Guide. Also, the District Court Clerk will answer all your questions.

§ 12.14. Work-At-Home Schemes

Work-at-home schemes are only one of several mail fraud practices facing citizens.¹⁴ While, of course, not all companies advertising work-at-home plans are dishonest, enough have been the source of problems to warrant special caution on your part. Here are some examples:

A. Envelope Stuffing

"Earn \$500 to \$800 a month. Address envelopes in your own home. Five dollars provides you with all the information you need to start." This simple come-on is typical of ones used to separate you from your money. It sounds good—you are at home or unable to work elsewhere and you have time on your hands. Even if you don't make all that is promised it's still a good deal—certainly worth a \$5.00 investment. So you tell yourself.

In fact, we have never heard of *anybody* who has ever been paid to stuff envelopes in their homes. What you are likely to receive for your investment is simply directions that tell you how to place similar ads in newspapers and thereby perpetuate and continue the illegal scam.

B. Home Business

This type of work-at-home "opportunity" starts much the same way as the envelope-stuffing scheme. Here you send the money to the company for craft kits, which you assemble at home. The company promises to buy back the finished product from you at an attractive price.

Regardless of the high quality work done by some consumers, goods are often judged inferior by the company and returned. You are stuck with the goods and they've got your money.

In one case reported by the U.S. Postal Service, a classified ad appeared in many parts of the United States offering women an opportunity to "Earn \$\$ sewing baby shoes in your own home." It drew more than 200,000 inquiries. Each prospective "cobbler" had to pay a small registration fee and demonstrate her skills in sewing a pair of wool-felt shoes for infants. In this particular scheme, virtually every one of the 60,000 job prospects failed to measure up to promoter's "high standards."

¹⁴ Maine also has a Business Opportunity statute (32 M.R.S.A. §§ 4691-4700B) which protects you from unfair schemes to set you up in a business. See §§ 3.5, 24.3, and 29.12 in this Guide.

§ 12. 15. Charges After A “Free” Trial Period (Negative Options)

An increasingly common “negative sale option” tactic occurs during a typical telemarketing sale. The consumer will order a particular good or service and the caller will then offer a free trial of another product. After the free trial period ends, without the consumer’s express consent, the business will start billing the consumer for this item. Oftentimes the telephone operator does not disclose that the consumer will be automatically billed for this item if the consumer does not cancel the sale before the trial period ends. Make sure that each month you check your credit card bill for bogus charges and dispute any charges you do not recognize. *See* § 26.3 in this Guide.

Pursuant to a Maine law that became effective September 21, 2001,¹⁵ such “free trial period” sales must be confirmed with a written notice mailed to the consumer which provides the consumer with a complete description of the negative option agreement, the deadline the consumer will start being charged for the item, and directions as to how the consumer can cancel the sale by either mail or phone before that deadline arrives.

§ 12. 16. Internet Shopping: Contracts On The Internet

Shopping over the Internet has become increasingly popular.¹⁶ Yet your purchases can be fraught with uncertainty and the danger of fraud. EchoTech, an Internet site on fraud (www.echotech.com), offers 15 different warning signs to look for when determining whether an offer that comes over the Internet is fraudulent:

- A. Hidden name or address.
- B. Uncheckable references.
- C. Too much talk about money, not enough about the deal.
- D. The internet site claims, “This is not a scam.”
- E. Request for your credit card number.
- F. An illegal pyramid scam. That is if you are asked to send money now to five people who each send it to another five and so on, in return for a “windfall” later (*see* Chapter 22 in this Guide, Consumer Rights and Multi-Level Marketing (Pyramid Schemes)).
- G. Spamming. When people who post huge numbers of identical articles on-line are forcing you to pay the bill.
- H. Too much knowledge about you.
- I. LOTS OF CAPITAL LETTERS and punctuation!!! as in offers for **BIG \$\$\$\$\$\$ IN NO TIME AT ALL!!!**
- J. Request to pay before you get details of an offer (an “advance fee” scam).
- K. Hidden costs. Watch out for ads that shout: “It won’t cost you a penny to get started” and then quietly charges an “entrance fee”.

¹⁵ 10 M.R.S.A. § 1210, Required Disclosures To Consumers.

¹⁶ The sources for this section on cyber shopping are the Federal Trade Commission, National Fraud Information Center, Securities and Exchange Commission, Direct Marketing Association, Inc., and “*Launching a Dragnet to Stop On-line Cons*,” The Boston Globe D16 (January 6, 1997).

- L. Promises of a “secret” method available to “only a limited number of people”. Scammers say this so they can close their business quickly and run away with your money.
- M. Requests for your password, credit or debit card numbers or bank check numbers.
- N. Unsolicited electronic mail with offers to give or sell you something.
- O. Inappropriate personal questions or request to borrow money.

Because you are ordering electronically, you should print a hard copy of any on-line solicitation you are considering. You should never assume that people on-line are who they claim to be. Remember, *anyone* can set up a website or advertise on-line. Never invest money before obtaining written financial information concerning the offer. If you ask for information and you are told that none is available, do not order! Of course, never disclose checking account, credit card numbers or other personal financial data at any website or on-line service location unless you are sure you know exactly where the data is going.

The same laws that protect you when you shop by phone or mail apply when you shop in cyberspace. The Federal Trade Commission’s Mail or Telephone Order Merchandise Rule—the “30-Day Rule”—now applies to Internet orders as well as phone and mail orders. Under the law, a company must ship your order within the time stated in its ads. If no time is indicated, the company must ship within 30 days after receiving your order, or give you the choice of agreeing to a delay or cancel your order and receive a prompt refund. This Rule applies to the Internet due to its definition of “telephone”, which refers to any direct or indirect use of the telephone to order merchandise, regardless of whether or not the telephone is activated by human beings, machines, or both. There is one exception to the 30-day rule. If a company does not promise a shipping time, and you are applying for credit to pay for your purchase, the company has 50 days after receiving your order to ship your merchandise or perform its services.

The Fair Credit Billing Act also applies. This law helps consumers resolve disputes regarding credit card accounts and applies to all on-line, mail, telephone and retail transactions. The following disputes are covered:

- A. Charges not made by the consumer or anyone authorized to use the account;
- B. Incorrect charges for which the wrong amount or date is shown;
- C. Charges for goods and services the consumer did not accept or were not delivered as agreed;
- D. Computational or similar errors;
- E. Failure to reflect payments or other credits;
- F. Not mailing or delivering bills to the consumer’s current address (provided a change of address was given at least 20 days before the end of the billing period;
- G. Charges for which the consumer requested an explanation or written proof of purchase.

Act immediately after an incorrect charge appears on an invoice by writing or calling the creditor and notifying them of the error. This written notice must reach them within 60 days of the first appearance of the charge on the bill. The letter to the creditor or bank should include: name and account number, statement of why the bill is incorrect and the dollar amount involved, and documents supporting your claim, (i.e., copies of the order printout, bill, sales slip, etc.). The consumer need not pay the disputed amount or any relevant finance charges while the bill is in dispute, but should pay all other charges not related to that amount. During the dispute period, the creditor cannot report the

account to a credit agency, or take any action. The account may not be closed or restricted, but the disputed amount may be applied against the credit limit.

If the customer does not win the dispute, that amount must be paid as well as the finance charges accumulated during the investigation period. The customer may still write to the creditor within 10 days after receiving the notice and refuse to pay, but collection procedures may begin. However, if the customer is reported to a credit bureau, it must be noted that the amount is under dispute. Consumers must be notified of who receives such reports.

The National Consumers League's Internet Fraud Watch has identified the following as the most common Internet scams:

- A. Web Auctions
- B. Internet Services
- C. General Merchandise
- D. Computer Equipment/Software
- E. Pyramids/Multi-level Marketing Services
- F. Business Opportunities/Franchises
- G. Work-at-Home Plans
- H. Credit Card Issuing
- I. Prizes/Sweepstakes
- J. Book Sales

Here are some informational web sites you can seek help on:

Maine Attorney General: www.maine.gov/ag;

The Federal Trade Commission: www.ftc.gov;

United States Postal Service: www.usps.com;

Food and Drug Administration: www.fda.gov;

Better Business Bureau (BBB): www.bbb.org;

Internet Advice: www.consumer.gov;

Federal Communications Commission: www.fcc.gov;

Internet Fraud Complaint: www.ifccfbi.gov;

Internet Fraud (Department of Justice): www.internetfraud.usdoj.gov/;

Consumer comments on internet sellers: www.bizrate.com.

§ 12. 17. Internet Shopping: Does Maine Law Apply?

When you shop online Maine law applies if the out-of-state seller has sufficient "minimum contacts" with Maine. For example, Maine's "long arm" statute¹⁷ likely applies if you responded to an

¹⁷ 14 M.R.S.A. §704-A

internet offer, paid by credit card, and the item you ordered was delivered to you in Maine. In such cases Maine law applies and you could enforce your rights in Maine courts.¹⁸ *See DHHS v. Scott Maybee*, 2009 ME 15.

¹⁸ This assumes you did not enter into a valid agreement to arbitrate any disputes. *See* §29.32 in this Guide.